(d) whether the matter is likely to be reviewed in this perspective and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir. A Senior Citizens Savings Scheme, 2004 has been introduced by the Government with effect from 2nd August, 2004. Main features of the Scheme are as under:

(i) Person of 60 year of age and above are eligible to invest. Single or joint account (with spouse) can be opened.

(ii) Persons who have retired from service and have attained the age of 55 years or more but less than 60 years are also eligible to invest, subject to conditions.

(iii) Deposit in multiples of Rs. 1000 subject to a maximum of Rs. 15 lakh is allowed.

(iv) The deposit carrier interest at the rate of 9 per cent per annum.

(v) The maturity period of the deposit is five years, extendable by another three years subject to conditions.

(vi) Premature withdrawal is allowed, subject to conditions.

(vii) The investment is non-tradable and non-transferable. However, nomination facility is available.

(viii) The scheme is available at post offices and designated branches of public sector banks.

(b) No, Sir.

(c) and (d) The senior citizens enjoy specific concession under the Income-tax Act. further, the rate of interest under the Senior Citizens Saving Scheme is higher than the rate available under other savings instruments.

Financial health of States

†1249. SHRI DWIJENDRA NATH SHARMAH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the financial health of several State Governments and particularly of Assam is in poor state; and

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†Original notice of the question was received in Hindi.

(b) if so, the effective steps taken by Government to improve ther financial health?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM;: (a) Eight States had revenue deficit to revenue receipt ratio exceeding 25% in the FT 2003-04 (RE). For Assam this ratio stood at 16.4% for this year.

(b) In order to supplement the efforts of the State Governments towards fiscal consolidation, Government of India has created "States' Fiscal Reforms Facility (2000-01 to 2004-05)", in accordance with the recommendation of the Eleventh Finance Commission. The Scheme incentives States to undertake fiscal reforms programme in the medium term, *inter alia,* aiming at reducing their revenue deficit over the reform period, by way of improving tax and non-tax receipts and reprioritizing expenditure.

Disinvestment in ITDC hotels

1250. SHRI TARIQ ANWAR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government are open to disinvestment in ITDC hotels;

(b) if so, the details thereof;

(c) whether Government are considering to sell loss making hotels; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) The Government has set up a Board for Reconstruction of Public Sector Enterprises (BRPSE) to advise the Government on strategies, measures and schemes for strengthening, modernizing, reviving and restructuring of public sector enterprises including disinvestment/closure/sale in respect of the chronically sick/loss making companies, which cannot be revived. Further action for disinvestment or otherwise of the hotel properties of India Tourism Development Corporation Limited (ITDC) would depend on the recommendations of the BRPSE and the Government's decision thereon.